

# BYLAWS OF COMMUNITY ACTION ASSOCIATION OF PENNSYLVANIA

## ARTICLE I NAME

The name of the corporation (hereinafter called "the corporation") is Community Action Association of Pennsylvania.

## ARTICLE II PURPOSE

### Section 1. Purpose:

The purpose of this corporation shall be:

- A. To promote programs for the relief of the conditions of those who live in poverty in the Commonwealth of Pennsylvania.
- B. To serve the general purpose of eradicating poverty through the Community Action Agencies in the Commonwealth of Pennsylvania.
- C. To support a range of services and activities having a measurable and potentially major impact on the causes of poverty in the Commonwealth of Pennsylvania through the services and activities of its member agencies, including activities such as:
  - To support member agencies in providing emergency services; and,
  - To coordinate and establish linkages between governmental and social service programs to assure the effective delivery of such services to low-income individuals; and,
  - To encourage the private sector to participate in efforts to ameliorate poverty in the community; and,
  - To foster cooperation and exchanges of information regarding programs and administrative techniques among Pennsylvania community action agencies and other social service agencies; and,
  - To advocate and press for changes, where necessary, in the programs, contracts, and procedures of funding sources so that they lead to fair and just treatment of individual agencies as well as an equitable distribution of funds among community action agencies and other social service agencies serving the needs of low-income and disadvantaged people; and,
  - To cooperate, where feasibly, in programs which cross county and state lines to achieve more effective and economical administration; and,
  - To foster inter-agency cooperation at and between local, state and federal levels; and,
  - To foster an awareness at the state level of the role local community action agencies and other social service agencies are playing in implementing the principles of

community action and to marshal support for both these principles; and,

- To assist other public and private statewide organizations and agencies and professional groups to better serve low-income groups and areas to utilize community action principles in the provision of community services, thereby ensuring the community action agency and other social service agencies' participation in the planning and operation of those programs dealing with the needs of low-income groups; and,
- To support regional and national associations dedicated to promoting the ideas of programs of community action; and,
- To remove obstacles and solve problems which block the achievement of self-sufficiency.

### ARTICLE III SEAL AND OFFICES

#### Section 1. Seal:

The Board of Directors shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation.

#### Section 2. Offices:

The principal office of the corporation shall be in Harrisburg, Pennsylvania. The corporation may also have offices at such places as the Board of Directors may from time to time appoint as the purpose of the corporation may require.

### ARTICLE IV MEMBERSHIP

The corporation shall have two classes of membership, Full Membership, and Affiliate/Associate/Individual Membership:

#### Section 1. Full Membership:

- A. Full Membership shall be available to any community action agency (or limited purpose agency) qualified to receive funds under the Economic Opportunity Act of 1964, as amended, (or their successor as authorized under the Omnibus Reconciliation Act of 1981 as amended), having its registered office as a situs in the Commonwealth of Pennsylvania.
- B. Each full member shall be entitled to one (1) vote, who shall be the Executive Director of such member or designee as identified by the member agency Board of Directors.

#### Section 2. Affiliate/Associate/Individual Membership:

- A. Affiliate Membership shall be available to any organization or agency in the community development or social service field.
- B. Associate Membership shall be available to any corporation or business expressing an interest in the community development or social service field.
- C. Individual Membership shall be available to any individual within either the public or

private sector who has an interest in assisting the poor and low income in Pennsylvania.

- D. Affiliate/Associate/Individual members shall have no voting rights, but shall be entitled to attend annual membership meetings and may participate in workshops, education forums, and other membership programs of the corporation and avail themselves of membership services provided by the corporation.
- E. Annual dues for affiliate/associate/individual members shall be set on an annual basis by the Board of Directors.

## ARTICLE V MEMBERSHIP MEETINGS

### Section 1. Annual Meetings:

There shall be an annual meeting of the members of the corporation which, biannually, shall be for the purpose of electing officers and a Board of Directors, and for the transaction of such other business as may come before the meeting. The annual meeting shall be held once each fiscal year on a date determined by the President of the Board of Directors.

### Section 2. Regular Meetings:

There shall be meetings of the members of the corporation during the year, as called by the President.

### Section 3. Special Meetings:

Special meetings of the members may be called by: the President; or at least three (3) members of the Board of Directors; or not less than one-tenth (1/10) of the members having voting rights.

The agenda at a special meeting of the members shall normally be limited to the specific business for which it was called, and for which notice is given, as required by Section 6., below, but the President of the corporation may declare any special meeting, once convened, to be a regular meeting, should there be additional business to conduct.

### Section 4. Regional Meetings:

There shall be regional meetings of member agencies within each of the six (6) regions of Pennsylvania, as previously established by the Commonwealth, or such regions as may be defined by the Board of Directors. These meetings shall be held twice a year at the call of the Regional Representative for each region, or at the direction of the Board of Directors. These meetings shall be held to conduct such purposes as: staff development, updating member agencies on salient information (i.e. new board policies & initiatives), sharing best practices, dialogue with grantors, etc.

### Section 5. Quorum:

The quorum at any meeting of the members shall consist fifty-one per cent (51%) of the total number of eligible members.

### Section 6. Notice:

Written notice stating the place, day, and hour of any meeting of the membership shall be delivered personally, by U.S. mail, by e-mail, or by fax to each member entitled to vote at such meetings not less than ten (10) nor more than forty (40) days before the date of such meeting

by the person calling the meeting. If mailed, the notice of a meeting shall be deemed delivered when deposited in the United States mail, addressed to the member agency at its address as it appears in the records of the corporation, with postage thereon prepaid.

In the case of a special meeting, the purpose for which the meeting is called shall be stated in the notice.

Section 7. Place:

The President of the corporation, or any other person or group authorized to call a meeting, may designate any place within the Commonwealth of Pennsylvania for any annual, regular, special or regional meeting.

Section 8. Full Members in Good Standing:

A member in good standing is a Full Member Agency that has at least twenty-five percent (25%) of its dues paid by the end of each calendar quarter. Only delegates of full members in good standing shall be eligible to cast a vote at any meeting of the corporation.

ARTICLE VI  
**BOARD OF DIRECTORS**

Section 1. Composition of the Board of Directors:

The Board of Directors shall consist of sixteen (16) members including the following persons:

- A. The duly elected officers of the corporation, including the President; the First Vice President; the Second Vice President; the Secretary; and the Treasurer; and
- B. The immediate Past President of the corporation; and
- C. The six (6) Regional Representatives, elected as provided by Article VIII of these Bylaws;
- D. The chairpersons of the Personnel Committee and the Social Policies and Issues Committee; and
- E. Two (2) At Large Members, elected as provided by Article VIII of these Bylaws.

Section 2. Powers of the Board of Directors:

The Board of Directors shall be responsible for the governance of the corporation. The Board of Directors shall have the power to act with full authority of the corporation in all matters affecting the corporation.

The Board of Directors may act directly or through its Executive Committee.

The Board of Directors shall have the authority to hire and fire the Executive Director of the corporation.

The Board of Directors shall act upon resolutions made by majority vote at meetings which may be held in person and through other means including telephone conferences, videoconferences

or other electronic means. The Board may also act upon the consent of a majority of the members without a meeting, but only upon ten (10) days notice to all members of the Board of the proposed action.

The annual dues of each full member shall be set by the Board of Directors at any regular membership meeting.

Section 3. Meetings of the Board of Directors:

- A. Call of Meetings: Meetings of the Board of Directors shall be held as may be called by the President of the corporation, or by three (3) members of the Board of Directors, upon ten (10) days written notice.
- B. Notice: Written notice stating the place, day, and hour of any meeting of the membership or of the Board of Directors shall be delivered personally, by U.S. mail, by e-mail, or by fax to each member of the Board of Directors not less than ten (10) nor more than forty (40) days before the date of such meeting by the person calling the meeting. If mailed, the notice of a meeting shall be deemed delivered when deposited in the United States mail, addressed to the member agency at its address as it appears in the records of the corporation, with postage thereon prepaid.

In the case of a special meeting, the purpose for which the meeting is called shall be stated in the notice.

- C. Agenda: An agenda must be submitted to each Board member, by mail, *email* or fax, at least five (5) days prior to the meeting.
- D. Voting: Each board member shall be entitled to one vote which will be recorded by the Secretary.
- E. Quorum: The quorum for a meeting of the Board of Directors shall be fifty one per cent (51%) of its non-vacant seats.
- F. Meeting Minutes: Approved Board Meeting minutes will be distributed to each member agency within 10 days of board approval.

Section 4. Terms of Office/Attendance:

The officers and members of the Board of Directors shall be elected for a two-year term. The election shall be conducted biannually at the annual meeting of the members.

If any member of the Board of Directors misses more than three consecutive meetings without appropriate reasons, a new member shall be chosen as prescribed by these by laws.

ARTICLE VII  
OFFICERS AND EXECUTIVE DIRECTOR

Section 1. Number of Officers:

There shall be five (5) officers of the corporation: President; First Vice President; Second Vice President; Secretary; and Treasurer. The officers shall be elected or appointed as provided in these Bylaws.

Section 2. Duties of Officers:

A. President

The President shall be a member of the Board of Directors and shall preside at all meetings of the membership and at meetings of the Board of Directors. The President shall exercise general charge and supervision of the affairs of the corporation and shall do and perform such other duties as may be assigned by the Board of Directors.

The President may sign, in the name of, and on behalf of the corporation, along with the Secretary and the Executive Director, or any other officer of the corporation duly authorized by the Board of Directors, or the membership, such contracts, agreements or other instruments as the Board of Directors has duly authorized by resolution to be executed.

The President shall be chairperson of the Executive Committee of the corporation. The President shall appoint the chairpersons of the Personnel Committee; the Social Policies and Issues Committee; and the Communications Committee.

B. First and Second Vice Presidents:

The First Vice President and the Second Vice President shall be members of the Board of Directors. The First Vice President shall take the place of the President and shall execute his or her duties in the absence of the President, or in the event that the President is unable to act. When so acting, the Vice President shall have all the powers and authority of the President.

The Second Vice President shall take the place of the President or the Vice President as may be required. The First Vice President and the Second Vice President shall perform such duties as may be assigned to them by the President, the Board of Directors, or the membership.

C. Secretary:

The Secretary shall be a member of the Board of Directors.

The Secretary, or an assistant, shall attend and keep the minutes of all the meetings of the members, including annual, regular and special meetings, excepting regional meetings, and prepare such minutes for distribution.

The Secretary shall see that all notices are duly given in accordance with the provisions of these Bylaws and shall keep a register of the office address of each member.

The Secretary shall have charge of the corporate seal. The Secretary may sign, along with the President and the Executive Director of the corporation, as may be authorized by these Bylaws or by the Board of Directors, any contracts, agreements, or other instruments, as authorized by resolution of the Board of Directors. When so authorized or directed by the Board of Directors, the Secretary may affix the corporate seal.

The Secretary shall perform such additional duties as may be incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President, the Board of Directors, or by the membership.

The Board of Directors may assign functions of the Secretary to the Executive Director of the corporation, as deemed necessary or appropriate.

D. Treasurer:

The Treasurer shall serve as a member of the Board of Directors and as Chairperson of the Finance Committee.

The Treasurer shall oversee the books of the corporation for the purpose of full and accurate account of all moneys and obligations received, paid or incurred by the corporation. The Treasurer may delegate but must maintain oversight responsibility for: the signing of all receipts and vouchers; the signing of all checks of the corporation and all bills of exchange and promissory notes issued by the corporation; and the making of such payments as may be necessary or proper to be made on behalf of the corporation unless specifically instructed by the Board to do otherwise.

The Treasurer shall perform such additional duties as may be incident to the office of Treasurer, and such other duties as from time to time may be assigned to him or her by the President, the Board of Directors, or by the membership.

E. Section 3. Duties of Chief Executive Officer

The Chief Executive Officer shall be appointed by the Board of Directors.

The Chief Executive Officer shall have the power to hire and fire subordinate employees, subject to the provisions of the corporation's Personnel Policies and Procedures. The Chief Executive Officer shall be responsible for discharging such other responsibilities, consistent with the Articles of Incorporation and these Bylaws, as the Board may choose to vest in the Chief Executive Officer.

The Chief Executive Officer shall have the authority, unless otherwise restricted by the Board of Directors, to execute in the name of the Corporation any and all documents to effectuate the purposes of the Corporation and directives of the Board of Directors, including but not limited to contracts, agreements, leases, certifications, attestments, guarantees, etc. The Chief Executive Officer shall also have such powers and perform such other functions as may from time to time be vested in such person by the Board of Directors.

F. Section 4. Board of Directors Term of Office and Vacancies:

All officers shall be elected biannually by the Board of Directors and shall hold office until their respective successors are elected and take office. Board officers may serve only three (3) consecutive two-year terms in the same office.

A. Vacancies. In case any office of the corporation becomes vacant by death, resignation, retirement, disqualification, or any other cause, the Board of Directors by majority vote may elect an officer to fill such vacancy, and the officer so elected shall hold office and serve until his or her successor is elected and takes office. An officer elected for an initial term of less than one-year, shall have the right to serve three (3) full elected consecutive two-year terms in addition to the initial short term served.

B. Removal. Any officer may be removed from office by the affirmative vote of two-thirds (2/3) of the Directors present at any regular or special meeting where there is a quorum, called for such purpose, for nonfeasance, malfeasance, or misfeasance, for conduct

detrimental to the interest of the corporation or for refusal to render reasonable assistance in carrying out its purposes. Any officer proposed to be removed shall be entitled to at least fifteen (15) days advance written notice by mail or other means of notice authorized by these Bylaws.

Such notice shall state the place, day and hour of the meeting of the Board of Directors at which such removal is to be voted upon and the officer shall be entitled to appear before and be heard by the Board of Directors at such meeting.

No officer may vote on his or her own removal, and the two-thirds voting requirement for removal shall be calculated as if the officer were not a serving Director.

## ARTICLE VIII ELECTIONS

### Section 1. Elections:

- A. Election of Officers of the Board of Directors of the corporation shall be conducted biannually at the annual meeting of the membership.

The five (5) officers of the corporation shall be elected by the placing of nominations from the floor with balloting to be secret or by voice, depending upon the vote of a majority of the delegates. The President shall be elected first, and then First Vice President, then Second Vice President, then Secretary, then Treasurer.

The officers shall be elected by a majority vote of member's present and voting contingent on the presence of a quorum. In the event that three (3) or more candidates receive nomination for any one office, and none of the candidates receives a majority of those present and voting on the third ballot, then the candidate receiving the fewest votes will be removed from consideration and a subsequent ballot will be taken.

- B. Two At Large members will be seated within ninety (90) days of the annual meeting. They will be selected by the Board of Directors after considering recommendations from the Nomination Committee for the purpose of promoting diversity and balance in the makeup of the Board of Directors with regard to the race, sex and ethnicity of individual Directors, and with regard to the geographic region, size, density of population served, and public or private character of the member agencies represented on the Board.
- C. The chairpersons of the Personnel Committee and the Social Policies and Issues Committee will be seated within ninety (90) days of the annual meeting. Each position will be appointed by the Board President.

### Section 2. Vacancies:

In the event that the office of an officer or Board member shall become vacant, the members of the Board of Directors shall fill such vacancies for the balance of the unexpired term by majority vote at a regular or special meeting.

### Section 3. Regional Representatives:

Election of Regional Representatives shall be conducted biannually by each region prior to or at the annual meeting of the membership. Each Regional Representative shall be elected by the



majority vote of the members present and voting from each region. In the event of a vacancy, the respective region shall fill the position within 90 (ninety) days of the vacancy.

## ARTICLE IX ADVISORY COUNCIL

### Section 1. Purpose:

The purpose of the Advisory Council shall be to provide the Community Action network with guidance and additional perspective related to the diverse needs of low-income persons served by the corporation and its members. The Advisory Council shall establish priorities among such needs and identify means of involving community resources in serving the poverty population. The Advisory Council shall review and develop recommendations for Community Action programs to work with other members of the community, statewide, to address common issues throughout the Commonwealth. The Advisory Council shall identify and assess specific means of promoting collaboration of community resources to address the problems of poverty.

### Section 2. Membership:

The Advisory Council shall consist of six (6) persons who shall be appointed by the Board of Directors upon nomination by the Executive Officer or members of the Board of Directors or any member agency. In making appointments to the Council, the Board shall seek to obtain as diverse a membership as possible with individuals providing representation from the low-income community as well as business and state government.

The members of the Advisory Council shall include:

- A. Two (2) members shall serve as low income representatives and shall be involved with Community Action. Such members shall be clients of a member agency currently, or shall have been clients within the last three (3) years, and may also be a low-income board member from a local Community Action Agency. These representatives must be able to travel to Harrisburg or other designated location for scheduled meetings, and must be willing to serve a minimum three-year term on the Council. Expenses related to Advisory Council activities of these two members shall be the financial responsibility of the Association.
  
- B. Four (4) members shall be officials or representatives of government, business, industry, labor, religious, education, or other major groups or interests in the low-income community. Such representatives shall be nominated for membership by any member agency or member of the Board of Directors, upon the recommendation of the Chief Executive Officer.

Final approval for Council membership is determined by a vote of the Board.

### Section 3. Meetings:

The Advisory Council members will be fully participating, though non-voting, members of the Board of Directors. They will participate in every regularly or specially called meeting of the Board of Directors.

### Section 4. Term:

The members of the Advisory Council shall be appointed for three-year-terms and may serve for an additional term if desired by both the member and the Board of Directors.

ARTICLE X  
COMMITTEES

Section 1. Standing Committees:

There shall be four (4) standing committees, which shall be as follows:

- A. Executive Committee;
- B. Personnel Committee;
- C. Social Policies and Issues Committee;
- D. Finance Committee; and

Section 2. Functions of the Standing Committees:

The Executive Committee shall consist of the officers of the corporation, the Immediate Past President and the Chairperson of the Personnel Committee. The Executive Committee shall in the case of an emergency be empowered to exercise all the powers and authority of the Board of Directors of the corporation between meetings of the Board. The Executive Committee does not have the authority to amend, alter, or repeal the Bylaws; elect, appoint, or remove any member of the Executive Committee, any Director or officer of the corporation, or any member of the staff of the corporation; amend the Articles of Incorporation; adopt a plan of merger or consolidation with another corporation; authorize the sale, lease, exchange or mortgage of the property and assets of the corporation; authorize the voluntary dissolution of the corporation or revoke proceedings therefore; adopt a plan for the distribution of the assets of the corporation; or amend, alter, or repeal any resolution of the Board of Directors. The Executive Committee shall fully report its activities to and be ratified by the Board of Directors at the next regularly scheduled Board meeting.

The Personnel Committee shall review and recommend to the Board actions on all personnel policy matters and shall act as final arbiter in employee grievance proceedings.

The functions of the other standing committees shall be as defined by the membership at the annual meeting, or by the Board of Directors, in accordance with the needs and goals of the corporation.

Section 3. Appointments to Committees:

Members of the standing committees shall be members in good standing of the corporation, but need not be members of the Board of Directors. Members of the standing committees shall be appointed by the President and shall be subject to approval by the Board of Directors. Each standing committee shall include representatives of each of the six (6) regions of Pennsylvania, as previously established by the Commonwealth, or such regions as may be defined by the Board of Directors.

Members of all other committees, other than the Executive Committee, shall be appointed by the President. The President will select the chairpersons of each committee, except the Finance Committee, which shall have the Treasurer as its chairperson as provided by Article V of these Bylaws.

Section 4. Other Committees:

There shall be such other committees as the President, the Board of Directors, or the membership shall cause to be created.

ARTICLE XI  
**DISSOLUTION**

Upon the dissolution of the corporation or the winding up of its affairs, the assets of the corporation shall be distributed exclusively to charitable, religious, scientific, or educational organizations that would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code or the corresponding section of any future federal tax code.

Upon the dissolution of the corporation, or the winding up of its affairs, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under section 501 (C) (3) of the Internal Revenue Code of 1954 (or corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine among eligible private nonprofit Community Action Agencies that were members of the corporation during the year of the dissolution so far as these organizations are eligible. If no such organizations exist, then the assets shall be distributed to an eligible antipoverty, community based, nonprofit organization or foundation doing business in Pennsylvania, for the purpose of providing advocacy and assistance to low income families for the purpose of achieving economic self-sufficiency. If no such organizations exist, then the Board of Directors may distribute the assets to the Commonwealth or to the federal government, for a public purpose.

Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE XII  
**RULES OF ORDER**

Roberts' Rules of Order: Roberts' Rule of Order shall be followed in the conduct of meetings of the corporation. Except where otherwise stated in the Bylaws, action taken by a majority of the delegates, or members of the Board of Directors, present and voting, a quorum having been present at the commencement of the meeting, shall be sufficient to constitute action of the corporation.

ARTICLE XIII  
**FISCAL YEAR**

The corporation's fiscal year shall be from July 1<sup>st</sup> through June 30<sup>th</sup>. The Board of Directors may redefine the fiscal year as deemed necessary or appropriate to meet the financial needs of the corporation.

ARTICLE XIV  
AMENDMENTS

These Bylaws may be amended by an affirmative vote of at least 2/3 of members in good standing at any membership meeting at which a quorum is present providing that the text of the proposed amendment shall have been sent *by U.S. mail and/or email* to all member organization and delegates at least thirty (30) days in advance of the meeting. Amendments to such proposed amendments shall be permitted from the floor at the meeting.

ARTICLE XV  
EXECUTION OF INSTRUMENTS

All contracts, agreements or instruments executed on behalf and in the name of the corporation shall be signed by the President of the Corporation or the Executive Director of the Corporation, and by one of the following officers: First Vice President, Second Vice President, Secretary, or Treasurer, unless otherwise authorized by the Board of Directors.

ARTICLE XVI  
NON-DISCRIMINATION

Section 1.

All services, projects or activities provided, engaged in or supported by this organization shall be administered so no person shall, on the grounds of race, color, lifestyle, religion, handicap, ancestry, national origin, age, sex, affectional or sexual preference, marital status or any other non-merit factor be excluded from participation in such project or activities, be denied the benefits of such projects or activities or be otherwise subjected to discrimination.

Section 2.

The Board of Directors and all committees of this organization shall be open to representation from all segments of the public as defined in Article III.

Section 3.

There shall be no discrimination with regard to hiring, assignment, promotion or other conditions of staff employment as stated in the Corporation's Personnel Policies and Procedures and Affirmative Action Plan.

ARTICLE XVII  
CONFIDENTIALITY

The Executive Director shall have the authority to prepare and maintain written confidentiality policies and procedures for the Corporation, Board Directors, consumers, employees and volunteers which adhere to the privacy laws, regulations and guidelines promulgated to preserve and protect the personal privacy of consumer and employee files. At a minimum these policies and procedures will assure:

- A. Employee and consumer files are appropriately safeguarded.
- B. Access to employee and consumer files is restricted only to those individuals who have been authorized by the Executive Director as having an authentic need for such information (ex. managerial staff, project supervisors, counselors, clerical custodian(s), grantor(s), Corporate solicitor, etc.).

- C. Employee and consumer information is only disclosed to external organizations and individuals when a written release detailing the specific information authorized to be released has been provided to the Corporation by the employee and consumer.
- D. Exceptions for the release of employee and consumer information which do not require the employee's and consumer's written consent are explicitly detailed.
- F. Employees and consumers have the right to review and to obtain photocopies of files pertaining to them, submit data for inclusion in such files and to request the correction or removal of inaccurate, irrelevant, outdated or incomplete information from such files.

ARTICLE XVIII  
**LIMITATION OF PERSONAL LIABILITY OF DIRECTORS;**  
**INDEMNIFICATION OF DIRECTORS, OFFICERS AND**  
**OTHER AUTHORIZED REPRESENTATIVES**

Section 1. Limitation of Personal Liability of Directors:

- A. Director of the Corporation shall not be personally liable for monetary damages as such for any action taken or any failure to take any action, unless:
  - (1) the Director has breached or failed to perform the duties of his or her office as defined in Section II below; and
  - (2) the breach or failure to perform constitutes self-dealing, willful misconduct, or recklessness.

The provisions of this Section shall not apply to (a) the responsibility or liability of a Director pursuant to any criminal statute or (b) the liability of a Director for the payment of taxes pursuant to local, state, or federal law.

Section 2. Standards of Care and Justifiable Reliance:

- A. A Director of the Corporation shall stand in a fiduciary relationship to the Corporation and shall perform his or her duties as a Director, including his or her duties as a member of any committee of the Board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interests of the Corporation, and with such care, including reasonable inquiry, skill, and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a Director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:
  - (1) One or more officers or employees of the Corporation who the Director reasonably believes to be reliable and competent in the matters presented;
  - (2) Counsel, public accountants, or other persons as to matters that the Director reasonably believes to be within the professional or expert competence of such person;
  - (3) A committee of the Board upon which he or she does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

(4) A Director shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.

B. In discharging the duties of their respective positions, the Board, committees of the Board, and individual Directors may, in considering the best interests of the Corporation, consider the effects of any action upon employees, upon persons with whom the Corporation has business and other relations, and upon communities which the offices or other establishments of or related to the Corporation are located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of Section A of Section 2.

D. Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a Director or any failure to take any action shall be presumed to be in the best interests of the Corporation.

**Section 3. Indemnification in Third Party Proceedings:**

The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, or criminal or administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not of itself be a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

**Section 4. Indemnification in Derivative Actions:**

The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation and except that no indemnification shall be made in respect of any claims, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Corporation, unless and only to the extent that the Court of Common Pleas or court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Common Pleas or such other court shall deem proper.

Section 5. Mandatory Indemnification:

Notwithstanding any contrary provision of the Articles of Incorporation or these Bylaws, to the extent that a representative of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in either Section III or Section IV above, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

Section 6. Determination of Entitlement to Indemnification:

Unless ordered by a court, any indemnification under Section III or Section IV above shall be made by the Corporation only as authorized in the specific case upon determination that indemnification of the representative is proper in the circumstance because he or she has met the applicable standard of conduct set forth in such paragraph. Such determination shall be made:

- A. By the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding.
- B. If such a quorum is not obtainable, or, even if obtainable, a majority vote of a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion.

Section 7. Advancing Expenses:

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board in a specific case upon receipt of an undertaking by or on behalf of the representative to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the Corporation as authorized in these bylaws.

Section 8. Indemnification of Former Representatives:

Each such indemnity may continue as to a person who has ceased to be a representative of the Corporation and may inure to the benefit of the heirs, executors and administrators of such person.

Section 9. Insurance:

The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any capacity or arising out of such person's status as such, whether or not the Corporation would otherwise have the power to indemnify such person against such liability.

Section 10. Reliance on Provisions:

Each person who shall act as an authorized representative of the Corporation shall be deemed to be doing so in reliance upon the rights of indemnification provided by this Article.

**ARTICLE XIX**  
**CONFLICT OF INTEREST**

Section 1.

A conflict of interest transaction is a transaction with the Corporation in which a Director of the Corporation has a direct or indirect interest. Directors are obligated to disclose any direct or

indirect conflicts.

Section 2.

A conflict of interest transaction is not voidable by the Corporation solely because of the Director's interest in the transaction if any one (1) of the following is true:

- A. The Director's interest was disclosed or known to the Board of Directors or a committee of the Board of Directors and the Board of Directors or committee authorized, approved, or ratified the transaction.
- B. The transaction was fair to the Corporation.

Section 3.

For purposes of Article XVI, a Director of the Corporation has an indirect interest in a transaction if:

- A. Another entity in which the Director has a material financial interest or in which the Director is a general partner is a party to the transaction; or
- B. Another entity of which the Director is a director, officer, or trustee is a party to the transaction and the transaction is, or is required to be, considered by the Board of Directors of the Corporation.

Section 4.

For purposes of Article XVI, a conflict of interest transaction is authorized, approved or ratified if it receives the affirmative vote of a majority of the Directors on the Board of Directors (or on the committee) who have no direct or indirect interest in the transaction. If a majority of the Directors who have no direct or indirect interest in the transaction vote to authorize, approve or ratify the transaction, a quorum shall be deemed present for the purpose of taking action under this article. No Director shall vote on any matter in which the Director has a conflict.

Section 5.

The following statement will be signed annually by each Board Director:

I have read and understand the foregoing conflict of interest policy and agree to its terms, and my actions have been and will continue to be guided thereby.

**Approved by a majority vote at the Community Action Association of Pennsylvania's General Membership on November 7, 2012.**

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Ken Heilman, Secretary